

ABOUT GROWTH

A Quarterly Publication About Growth Management

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Living in the city

By Donna Stenger
Urban Planner, Tacoma
Planning and Development Services

Tacoma is the first city in Washington to implement a property tax exemption program for new multifamily development under a state law drafted by Tacoma officials and passed by the Legislature in 1995.

In the two years since the program has been in place, 20 applications have been submitted for more than 700 new units representing a developer investment exceeding \$34 million. Of those 20 applications, four projects have been completed totaling 164 units and an investment of \$8.5 million.

Attracting new housing is one of the city's greatest challenges and highest priorities

Although these numbers may seem small, Tacoma's housing production since 1990 has averaged only about 500 units per year. The highly innovative multifamily housing tax program is embraced as one of the best tools available for promoting infill development.

Tacoma has been far in front of other cities in pursuing housing incentives. It took 10 years to convince the Legislature to enact the multifamily tax exemption. This year, Tacoma will try for the third time to have legislation passed that promotes the rehabilitation and reuse of older, abandoned buildings.

The Urban Stabilization Act, if enacted, would provide a mechanism to help property owners with the costs of meeting required seismic, safety, and accessibility upgrades in older buildings.

Rehabilitation costs to meet code requirements often exceed the expected achievable rents.

Downtown Tacoma has dozens of buildings that could be reused for housing, if the development economics were more favorable. Other cities, fire marshals, building officials, and economic development groups — who recognize the value of this tool to encourage housing and urban redevelopment — support this legislation.

State legislation isn't the only action being pursued. Tacoma also is working closely with Sound Transit to plan and construct the first, regional light rail segment in downtown Tacoma and commuter rail service from Tacoma to Everett.

A recent market study, authorized by the city, predicts that the rail transit improvements will attract new residents. Station area planning currently underway will point out the best locations for housing and map out amenities for new urban living environments.

Tacoma's infill housing strategy also includes its neighborhoods

A recent Regional/Urban Design Assistance Team, sponsored by the American Institute of Architects, has generated interest among citizens not usually affiliated with housing or the downtown. The study sets forth a vision for reestablishing a neighborhood on the hill overlooking downtown. This vision will be incorporated into a revised downtown plan slated for adoption next year.

City regulations were loosened to encourage single-family housing on existing undersized lots. A current



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Building Foundations for the Future

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Infilling saves infrastructure costs, has value in reducing sprawl

By Shane Hope
 Managing Director, Growth Management Program



As land has been developed in Washington communities, some areas and sites have been skipped over. Many of these places could still be developed without great sums of money for additional infrastructure (streets, sewer, water, and schools, for example), because services are already there or are readily available nearby.

This kind of development, called "infill," is getting more attention as communities try to balance the needs of accommodating more people and businesses, keeping infrastructure costs down, and minimizing the amount of countryside that is turned over to subdivisions and strip malls.

Infill development is ultimately a cost saving and a land use efficiency tool. But it has sometimes been overlooked because developers could more easily and profitably build houses or shopping centers on "greenfields" outside of existing urban areas.

This is changing. The federal and state money that previously provided most of the money for new roads, schools, and other infrastructure is being drastically reduced. To raise more funds for new infrastructure means higher taxes on current residents. Local governments are looking at how they can maximize their existing infrastructure by encouraging infill development.

At the same time families who live in outlying areas must spend considerable time and money to maintain two, three, or more cars and drive to all their destinations. For example, the Puget Sound Regional Council calculates that each automobile takes an average of \$500 monthly to cover its purchase price and

operating costs, including insurance and gasoline.

If people choose to spend less of their income on transportation costs, they could use it in other ways, such as buying the home they want in a place that would allow more walkability or transit use. Banks are beginning to recognize this option and to offer home loans that credit people for location efficiency. (See page 3.)

Finally, most people are tired of seeing more forestlands and farms razed for new development. Some are also pointing out that adding large new developments in rural areas is likely to harm salmon habitat and cause other environmental problems. Development in outlying areas typically requires more cars to drive more miles, creating not only traffic congestion but also pollution problems from more auto exhaust.

For these reasons, infill development is an attractive solution. It can't always be done easily. Sometimes, zoning regulations or unwieldy permit systems can work against infill. This is a problem local governments can remedy.

Also, infill can be a problem because the leftover sites are the more difficult to build on (for example, steep slopes) and require non-standard techniques.

Communities can also offer incentives for infill, for example, by making impact fees on development appropriately low where existing infrastructure can be utilized.

This newsletter contains several examples of how communities are succeeding. Infill development is an approach that can save public money, minimize environmental impacts, and reduce sprawl.

Location efficient mortgages in Seattle

By Dianne Wasson
Vice President, Continental Savings Bank

The city of Seattle has, for many years, sought innovative financing tools to provide incentives to homebuyers to live close to their place of employment, use mass-transit, and reduce commute trips.

In 1994, Seattle implemented the Hometown Home Loan Program to encourage their own municipal employees to purchase homes within the Seattle city limits.

This program, which provides homebuyers with a package of discounted loan fees and services if they buy in Seattle, has encouraged

consideration when making credit decisions. If a borrower is having difficulty qualifying for a loan and has a 60-mile commute each way, his application is less likely to be approved than if he lived near his place of employment.

The city of Seattle has one of the highest cost housing markets in the country. Because our major employment center is downtown Seattle, housing costs within the city limits tend to be considerably higher than costs in the suburbs. Like most other urban areas, the farther away a property is from the city, the lower the price.

The fact that properties are more expensive within the city limits puts homeownership out of the reach of

posed, a family purchasing under the LEM could devote 39 percent of their total income to their house payment. This means a Seattle family could buy the \$248,500 average-priced house with only \$62,350 annual income.

In addition, Fannie Mae will allow the family purchasing under the LEM to have a total debt ratio to be as high as 49 percent. They could have an additional \$519 per month in debt without reducing the amount of loan they would qualify for.

The LEM proposed guidelines also would allow the lenders the flexibility of being able to qualify our borrowers two different ways. If using the higher ratios doesn't work for our clients, we can actually increase the income we use to qualify them by the amount of the location efficient value (LEV). A LEV is the estimated savings the household expects to save monthly due to close proximity to services.

For example, if a family has a monthly household income of \$5,500 per month, at current rates, they would qualify for a loan amount of \$227,700. If they were purchasing a home using a LEM with a LEV of \$500, we can add that \$500 to their monthly income. Using income of \$6,000 per month, they qualify for a loan amount of \$270,500 — an increase of \$42,850 in their purchasing power.

Living in the city

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initiative is addressing the reuse of abandoned four-corner commercial lots for in-town housing. On other fronts, a city-funded home ownership program has created 32 homes on previously vacant lots since 1993.

Tacoma's commitment to housing is clear. The city is working on an ambitious agenda to remove barriers and accommodate new housing downtown, in mixed-use districts, and in neighborhoods.



nearly 400 people to purchase homes in the city. The typical savings range from \$1,000 to \$2,000 at closing.

The program has been expanded to include employees of the Seattle School District, as well as several major employers in Seattle.

Continental Savings Bank administers this program for the city.

When the city of Seattle approached us last fall about offering location efficient mortgages (LEM) through a pilot project, we were quick to agree that from a lender's perspective the concept makes sense.

Underwriters have often "unofficially" taken transportation costs into

many families who would prefer to live in the city, because they simply cannot qualify for the financing.

Typically, lenders don't want to see a mortgage payment make up more than 33 percent of a household's gross income. That means that a family in Seattle would have to earn at least \$73,700 per year to qualify for that average sales price of \$248,500. In addition, they could only have \$307 per month in debt over and above their house payment to qualify for the maximum loan their income could support. (The total debt-to-income ratio is 38 percent.)

Under the guidelines being pro-

Adding units to existing homes, Canadian style

Rob Whitlock

Rezoning Planner, Planning Department
Vancouver, B.C., Canada



Two approaches are being used in the city of Vancouver, British Columbia, to create new dwelling units in conjunction with existing housing stock:

- Secondary suites, the addition of another dwelling unit in an existing single-family dwelling, are being utilized in single-family areas of the city; and
- Infill, addition of another building to a site while retaining existing buildings, is being employed in low-to medium-density areas of the city.

Secondary Suites

In the mid-1980s, the City Council recognized that thousands of additional dwelling units existed in its single-family areas, many in the form of basement accommodations.

In 1986, the regular City Council election included a vote on retention or elimination of secondary suites in those areas of the city. Based on the results, new zoning was introduced in areas supporting secondary suites. In areas that did not support new zoning, property owners were able to apply for suites that would be phased out over the next 10 years.

A modest number of "legal" secondary suites have been created. City staff is undertaking a program review as the time limit for suites that were to be phased out is approaching.

Infill

Infill in Vancouver is defined as the placement of a building on a site already containing one or more existing buildings, some or all of which are retained. Generally it means the addition of a new, smaller building in the rear yard of a larger house.

Historically infill has been part of

the city's development as far back as the turn of the century before zoning began in the late 1920s.

Strathcona, the first residential suburb to Vancouver's original townsite, now known as Gastown, has numerous examples of two, three, four, or more buildings constructed on a single lot. Other inner city residential neighborhoods also have examples, usually involving what would now be called granny flats or cottages at the rear of the lot.

The city first recognized infill as a valuable zoning tool in the mid-1970s when infill was introduced as a discretionary use in Kitsilano, where retention of existing neighborhood character was an important objective.

Typically it involves converting the existing building into three dwelling units and addition of a fourth dwelling unit at the extreme rear of the yard, usually over four parking spaces. This approach is being used in almost all the residential areas surrounding the Central Area core of the city (Kitsilano, Grandview-Woodland, Mount Pleasant, and Strathcona).

In Mount Pleasant, the technique was further refined to allow the demolition of non-character buildings and new development featuring a large new principal building with the new cottage in the back. In Strathcona, infill was seen as a means of retaining many original 1880s examples, some of which were located on 25-foot-wide lots.

Most of the areas encouraging infilling are moderate density RT districts. RT stands for residential, two-family areas, which include one- and two-family dwellings. It also includes many buildings called multiple conversion dwellings (or MCDs).



In the past MCDs have been occupied with many housekeeping or sleeping units as a form of rooming house. Today, MCDs are most often upgraded buildings, in which the number of suites usually is reduced and each dwelling unit is owned separately as a condominium.

Infill is allowing the retention of many larger character homes and retention of neighborhood scale and livability. It also offers more affordably priced ownership in a housing market that is rated as the highest in Canada.

Infilling in single-family areas of the city has yet not occurred. However, a series of neighborhood reviews is underway. Infill is seen as one way to increase the city's supply of ground-oriented family housing, which is housing having a direct connection to grade-level open space. This will be determined on a neighborhood-by-neighborhood basis.

Although the city does not have records on the number of units produced through this approach, we estimate that with the retention of existing buildings plus infill, hundreds of new and updated units have been created, in a manner that is highly sympathetic to existing neighborhood character.

Further Information

For details, contact Rob Whitlock by phone at 604-873-7814, or by e-mail at rob_whitlock@city.vancouver.bc.ca

Urban living offers splendid views, activities

By Rita R. Robison
Editor, About Growth

One of the cornerstones of the city of Seattle's comprehensive plan is to maintain the downtown as an attractive, compactly developed area offering jobs, housing, shopping, services, and entertainment.

Three downtown residents enjoy Seattle's urban environment, especially transit service.

Zander Batchelder lives at the corner of Second and Blanchard in an old sailor's hotel that was converted to studio apartments

A federal employee, Batchelder walks to work or rides the bus in Seattle's free zone if it's raining. He doesn't own a car.

Batchelder is glad he lives and works downtown. "There's always stuff happening — movies, theaters, restaurants, festivals. It's down the block instead of across town... I have direct access to a lot of the amenities that many people have to drive two hours to enjoy. It's right outside the door."

Batchelder would like to see more medium-cost housing in the Denny Regrade. Lots of low-income housing is available, he said, and the new condominiums are mostly at or above market rates.

Batchelder suggests the city look at spaces that are not used effectively. "Ground-level businesses with affordable housing above them can be built in parking lots. That was the model in the 19th century and should

walking distance; arts and culture; the symphony; sports. The waterfront is on one side of our doorstep and shops on the other."

Krizanich also enjoys the diversity of people, buildings, and architecture. "It's a feast for the senses, whether it's a siren on the street, a horn from a ferry going to Bainbridge Island, or the Olympic Mountains with a sunset. It is a sensory experience as much as anything."

Services are close by, she added. "My dentist is a block away, and my doctor is a short bus ride away. It's effortless to get anything I need — driver license, new tires, dry cleaning."

Another thing Krizanich loves about living downtown is that it makes her a pedestrian most of the time. "It means I catch details and nuances of my neighborhood that you don't get when you drive 30 miles an hour down the street."

Joan Paulson lives on First Hill, near the Seattle Municipal Building

With an interest in urban planning since the early 1970s, she is involved in neighborhood planning efforts, and she worked for the city in urban planning and development during the 1970s and 80s in the Pike Place Market.

Paulson enjoys urban living and finds the bus system helps her keep her vehicle mileage low.

Paulson thinks more state and local funding is needed to make up for reduced federal housing funds. She is proposing that we need to have more middle- and low-income housing funded to create a balance of low-, middle-, and high-income housing.

She suggests people "never give up" working on urban livability issues. "The GMA is worthy to follow, if everybody is able to work together and make it move forward."



Harbor Steps, an apartment tower, features a grand staircase that leads to downtown Seattle amenities, such as the Seattle Art Museum.

"I am anti-car," he said. "I don't think cars have a positive impact on our cities. If I need a car, I rent one."

Batchelder saves an hour to two hours a day commuting. "It was a very hectic and time-consuming commute from the Eastside. I just don't get that 'road rage' now. I can come home and read the paper and drink a cup of coffee."

Co-chair of the Denny Regrade Neighborhood Planning Committee,

be used in the 20th and 21st centuries. We can recreate our city."

Lyn Krizanich lives in a condominium near Seattle's Pike Place Market. She has a view of the city, Space Needle, Puget Sound, and Olympic Mountains

Active in community groups, Krizanich loves living downtown because of the excitement. "I literally have everything I could want within

Local communities making progress with ADUs

By Arthur Sullivan
Program Manager, A Regional
Coalition for Housing

When the Department of Community, Trade and Economic Development developed a model ordinance on accessory dwelling units, it provided options for ways local governments could address the units in their communities.

This has offered flexibility to local jurisdictions so that they can determine how accessory dwelling units (ADUs) would work best in their communities.

A Regional Coalition for Housing (ARCH) has had success working with local jurisdictions under these new guidelines to come up with programs that have their own unique twists and don't significantly constrain the building of ADUs. (ARCH is a housing organization made up of King County and eight cities in East King County.)

While the law passed in 1993 applies to counties and jurisdictions with populations of 20,000 and larger, we are also seeing some smaller cities, such as Issaquah, considering looking at the issue.

In the communities we work with, Mercer Island has approved the most ADUs, 126 since 1995. Bellevue has issued 35 ADU permits and Kirkland 74.

The success in Mercer Island points that out local governments can go forward without controversy. The city has added quite a bit of housing through its ADU ordinance.

We are beginning to explore other ways to encourage more ADUs. For example, one idea is to provide a team of building managers, architects, and other professionals to provide a free consultation to homeowners.

Compact urban development

By Stephanie Warren
Director, Bainbridge Island Department
of Planning and Community Development



The city of Bainbridge Island has a comprehensive plan that provides a clear vision of how we would like to see our future. We are beginning to see that future take shape.

In 1994 the city of Bainbridge Island adopted its comprehensive plan. This was the first plan for the entire Island since its annexation to the city of Winslow in 1991.

The comprehensive plan established the vision and overall framework for the future of Winslow. It is now the core of a city that encompasses 32 square miles and has 46 miles of shoreline.

The plan seeks to preserve and enhance Winslow as a vibrant, pedestrian-friendly commercial and cultural center. It designates Winslow as an area that should accommodate half of the Island's growth.

In 1998, the city adopted the Winslow Master Plan. It refines the goals and policies of the comprehensive plan as they relate to Winslow; contains a detailed facilities and amenities plan; prioritizes funding for carrying out the master plan; identifies impacts and mitigation measures at the planning level that will allow for more streamlined approval of permit applications; identifies implementation strategies; and develops a monitoring program to ensure that the master plan is implemented.

There will be impacts on Winslow from additional population, both on and off Island, and from additional ferry traffic, resulting in increased pressure on the character and vitality of Winslow. The challenge of the master plan is to accommodate the anticipated additional growth and development without sacrificing the character and vitality of our core.

The past few years have seen many changes to the face of Winslow in direct response to our comprehensive plan.

One of the first new projects, the Madison Avenue Cottages, consists of detached dwellings at a density of 14 units per acre. They fit snugly into the surrounding neighborhood of single-family and multifamily uses.

Currently under construction is a similar residential project, the Winslow Mews, at a density of just over 14 units per acre, including two extra units obtained through our affordable housing density bonus program.

Also under construction is a mixed-use office and residential proposal on a waterfront site; a five-screen movie theater complex with office and retail uses; several smaller mixed office and retail uses; a nursing care facility; a retirement home; and a new City Hall.

Each of these projects can be considered "infill." They each contain features that encourage pedestrian access through open space and trails and follow our design guidelines. The guidelines call for buildings close to sidewalks, breaking up of building facades, provision of pedestrian features, and guidelines for signage.

With all these projects underway, we are anticipating that Winslow will become the vibrant urban center called for in our comprehensive plan.

We are now in the process of developing the remaining implementation ordinances for the Winslow master plan. They will address issues such as additional parking near the ferry terminal and density bonuses for contributions to infrastructure.

We are also trying to implement a transfer of development rights program for preservation of farmland and critical areas.

Mixed-use developments in Redmond

By **Roberta Lewandowski**
Planning Director, Redmond Department
of Planning and Community Development

Some recent mixed-use developments in the city of Redmond are gaining national attention, with articles appearing in "Builder Magazine," "Governing," and Urban Land Institute publications.

These projects are helping to carry out the city's vision of a downtown

like" architectural elements with a timeless character. The project was a somewhat risky venture in a suburban community with few urban amenities in the downtown.

Now, due to LionsGate's market success, Trammell Crow is starting two new mixed-use buildings nearby. A mixed-use housing development is also proposed for the Town Center retail project just being completed downtown.

Zoning in most of downtown Redmond allows combinations of retail, office, and residential. Design requirements in most downtown districts preclude residential development on the ground floor but allow either office or retail with designs that enhance the pedestrian experience. This land use flexibility was the key to landing the Family Village project.

Flexibility in design regulations is also essential. Setbacks, sidewalk widths, and other aesthetic rules can



Due to the success of Redmond's LionsGate, other mixed-use projects are being constructed nearby.

be waived if the city's Design Review Board determines that granting changes will result in a better project design.

For LionsGate, the city allowed narrower sidewalks than the standard (eight-foot instead of 14-foot wide), in order to attract the first project of this caliber. City rules also do not

transformed into a pedestrian-friendly center. They are also serving as national examples of new housing styles that provide a real choice in living environments and alternatives to sprawl.

One attractive mixed-use project, LionsGate, developed by Trammell Crow Residential, combines home offices and retail developments on the ground floor, with three stories of residential development above.

The project design includes dramatic pitched roofs and other "house-

Another project that is extremely popular with local residents, who typically hate multifamily housing, is the YWCA Family Village.

The Village is a mixed-use housing project for homeless families, providing day care, office, and classroom space on the ground floor and small apartments above. Again, the design is house-like and timeless, the key to its local popularity.

Redmond's tools to promote mixed-use developments primarily include flexibility in use, design, and density.

specify density in the downtown core, instead controlling bulk, height, and appearance. This provision allows developers to tuck a few smaller units into a project, increasing both density and affordability.

Redmond still has a long way to go to transform the downtown into the pedestrian-oriented center and community gathering place that Redmond residents consistently say they want. Recent projects, however, indicate that over time, we will be able to carry out our vision.

Why transit-oriented development? Why now?

By Ned Conroy

Senior Planner, Puget Sound Regional Council

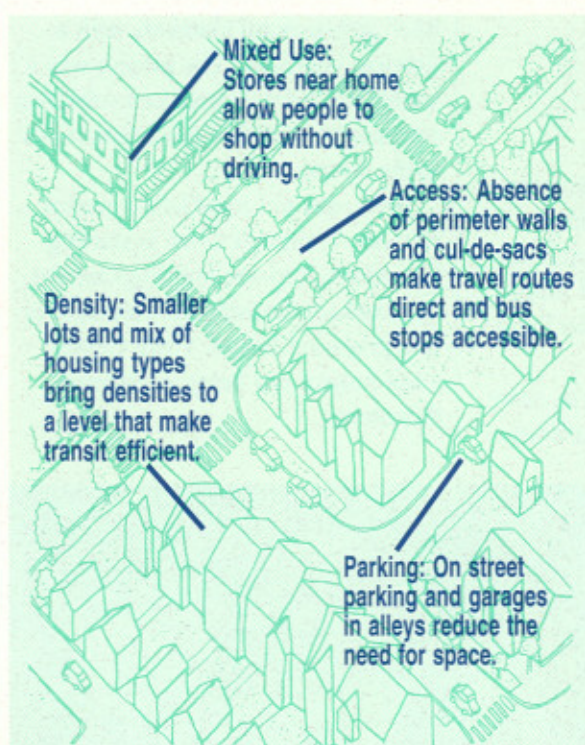
The central Puget Sound region is in a unique position to capitalize on a large investment in transit facilities. Currently, there are about 30 major transit "stations" within King, Pierce, Snohomish, and Kitsap counties. These include about 20 bus transit centers of various types and sizes and 12 ferry terminals.

Over the next 10 to 20 years, the region plans to invest in an additional 80 to 100 transit center locations. These new facilities will include the rail stations to be constructed by Sound Transit as well as new bus transit centers and ferry terminals.

Increasingly, communities within the region are focusing on the role that transit station facilities can play in promoting and supporting land use development changes. Promoting land use changes at transit stations is a major way to increase transit use within the region and support growth management objectives.

The benefits of transit-oriented development include:

- building strong, cohesive, and sustainable communities by providing a focal point for concentrating growth;
- increasing the quantity of affordable housing and creating opportunities for more diverse housing options;
- increasing a local community's economic activity, property values, and tax base;
- providing more travel options and better living environments for the transit-dependent;
- increasing the transit trips to a station area and decreasing the number of auto trips within the station vicinity;



From "Creating Transportation Choices Through Zoning" by The Snohomish County Transportation Authority

- improving air and water quality, and other environmental concerns by reducing auto use;
- increasing safety for pedestrians and bicyclists and creating a convenient and attractive setting for non-auto trips; and
- providing workers and residents with commercial, public, and recreational services close to where they live or work.

Everyone can gain. Transit agencies see transit-oriented development as a way to attract additional riders; developers see opportunities for different forms of development with excellent transit access; land use planners look at transit-oriented development as a move toward more compact, livable, and sustainable communities with reduced auto dependence.

Within the region, local governments are engaged in dozens of efforts to make transit-oriented development practices help neighborhoods

succeed. The success of these efforts will have a profound effect in achieving the region's growth management goals.

The PSRC is currently working with local governments to produce a workbook that will help to achieve transit-oriented development at transit stations. The workbook — *Creating Transit Station Communities* — will be available in early 1999.



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